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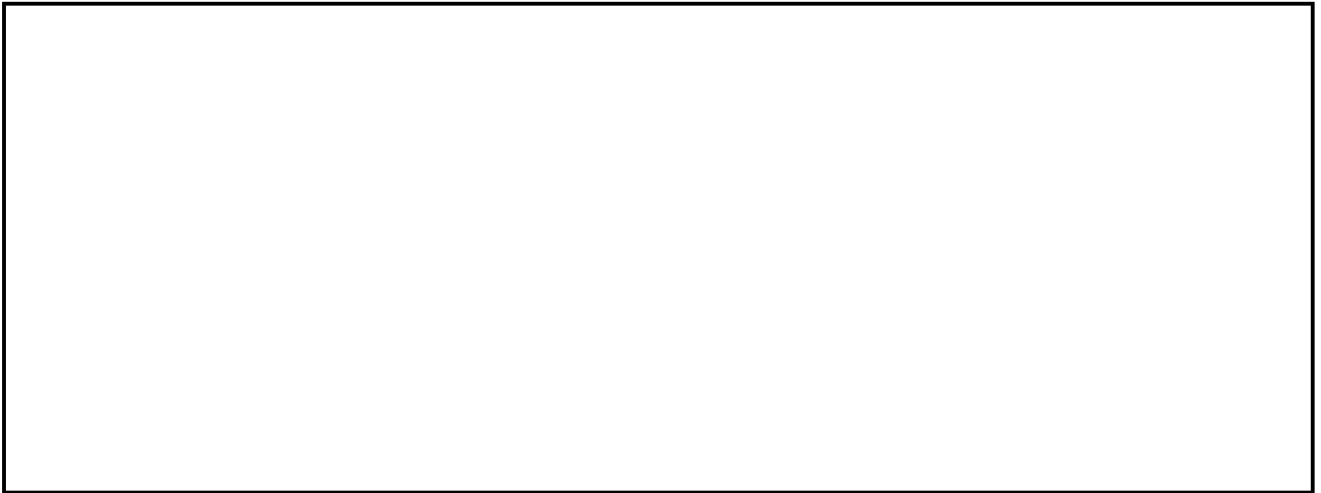
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~~SECRET~~31. The Soviet Seven-Year Plan and the transition to Communism

The new Seven-Year Plan for the development of the Soviet economy in the years 1959-1963, is to be one of the two major items on the agenda of the 21st Congress of the Communist Party of the Soviet Union (CPSU). The other item is the Theses of the Central Committee on Education. The 7-year plan replaces the 6th Five-Year Plan presented to the 20th Party Congress of February 1956, and given up in September 1957 because it was recognized as unrealistic. The disturbances in Poland and Hungary had helped unbalance the previous plan. The combination of the economic with the educational theses is extremely significant. It underlines the central theme of the 21st Congress which is the transition within the USSR from the completed state of "socialism" to building the foundations of "communism," according to the slogan "to each according to his needs." In other words, the Congress is setting itself the double task of creating a new type of economy and a new type of society.

a. Economic challenge

The new 7-year plan would have us believe that the USSR will approach or surpass the present output of the U. S. by 1965 in many important products, that in 1972 it will have equalled or surpassed the U. S. in per capita production. This claim is based on the ridiculous assumption that the U. S. economy will suffer complete stagnation or decline in the meantime. This recalls the argument of the younger brother who believes that in a few years he will catch up in age with his older brother. The analysis of the per capita production clearly reveals the fallacy of Soviet claims. The figures cited by Khrushchev for 1972 are lower than those of the U. S. for 1957. It is always difficult to compare two economies. The plan mentions 470 different products. Khrushchev, in his attempts to show how the Soviet Union is catching up with America, likes to single out certain items such as coal, sugar beets, and butter. The fact that the U. S. uses greater quantities of natural gas and oil as fuels, obtains a large part of its sugar from sugar cane and consumes greater quantities of vegetable fats than butter, makes these comparisons ludicrous. One might as well prove that the Irish produce more potatoes than the Chinese who rely on rice.

A more meaningful comparison is housing space, as presented in a public lecture on 8 December 1958 by A. M. Alekseev, holder of a Stalin prize. He estimated that in the U. S. there were 16 square meters of living space per inhabitant. (According to U. S. statistics, the true figure is 39 square meters.) For the Soviet urban population he gave the corresponding figure as 5.5 square meters. Even at this he was leaving out the extra space in the U. S.

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represented by trailer houses. In the U.S. there are 260 concerns producing such trailers. The Plan mentions ambitious figures for the construction of apartments but no proportionate increases for the necessary production of cement and other building materials are foreseen. It is also surprising to note that the intra-orbit trade is to increase by 50 percent, though the Plan gives no estimate whatsoever for trade with "economically backward countries."

In short, the control figures given in the Plan, represent an artful mixture of plan and propaganda and are obviously meant to impress simultaneously the domestic and the foreign audience. What Professor Oskar Lange, present Polish planning chief, said of the Soviet economy in Stalin's day remains true in the new Khrushchev era: "Soviet economic planning is not designed to construct a harmonious socialist welfare state, but serves exclusively political and military goals, to which all other aspects of economic planning are sacrificed." There is no doubt that Khrushchev's emphasis on "catching up with America" has proved a very popular slogan but, as a shrewd foreign observer has said, it looks at times as if Khrushchev's real purpose is to keep ahead of China and its "great leap forward."

b. The transition to communism

In proclaiming the new economic plan, Khrushchev sets down his goal of creating the new communist society. The transition to real communism aims at "transforming the entire spiritual life of the society, changing man himself and forming his communist outlook." What this means for children, women, peasants, and workers is clearly outlined. "It is imperative," says the Plan, "to raise the role of the state in the upbringing of children... The sooner we place all children in creches, kindergarten, and boarding schools, the faster and more successfully will we bring them up in the communist manner." At the same time, by providing more and better canteens and restaurants, more women will be freed from work in the home in order to work for the state. The universal program of the 10-year school, proclaimed at the 20th CPSU Congress, is to be abandoned in favor of an 8-year education. Further education, including academic studies, will be relegated, under the name of "polytechnic education" to the places of work. This measure which introduces child and youth labor serves the double purpose of increasing the labor force and of attempting to cut down on holliganism, corruption and alcoholism to which so many youths have fallen prey. The peasants who had previously seen in Khrushchev a defender of their interest, are now told that they will have less help from the state and be forced to raise more money for the purchase of tractors and other agricultural improvements. In addition, Khrushchev, in an effort to assimilate agricultural with industrial production, requires kokhozes (collective farms) to band themselves together for such common tasks as building power works, schools, hospitals, canneries, bakeries, and other food processing factories.

To spur on the workers, two new movements have been inspired by Khrushchev Communist Labor Brigades and Workers Militia Units. The first is presented as the resurrection of a movement created by Lenin but it is also obvious that

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the labor brigades are a form of stalinist stakhanovism. Stakhanov was discredited at the same time as Stalin because of resentment against the cult of personality. The new name does not disguise the fact that the labor brigades are little more than "collective" stakhanovism." The Workers Militia Units, launched by the trade union organ Trud on 22 November 1958, are pictured as auxiliary police units, as a kind of "public organization" which will replace the state's compulsory powers with the advent of the true communist society. Both movements are portrayed as a step toward the withering away of the State. We can see in these plans two important developments. In the industrialized kolkhozes, there is some similarity to the Chinese communes and a new attempt to promote Khrushchev's dream of "agrogorods" (agrarian cities). As for the Workers Militia Units, which are to be armed, they may well be compared with Hitler's shock troops. All in all, Khrushchev's new plans, foreseeing a feverish and total mobilization of the people are quite in the tradition of Stalin. Whether this national effort is really intended, as Khrushchev proclaims, to catch up with America or, instead to keep ahead of the Chinese communists, there is little chance for the people to hope for anything except more work which is, as Khrushchev says: "The most important and worthwhile thing in the life of the Soviet man."

In his ambition to transform the economic and social life of the USSR, Khrushchev is aiming to earn his place beside Marx, Lenin, and Stalin. But the result may well be that his imitation of the ant society of China will only succeed in fulfilling, ahead of time, the plan that was prophesied by Orwell for 1984.

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**32. ASIAN NATIONS OPPOSE CHINESE COMMUNIST ECONOMIC AGGRESSION
AND POLITICAL SUBVERSION**

Thailand will ban all imports from Communist China, starting 18 February. This is the latest in a series of moves by Southeast Asian nations to defend themselves against further Chinese Communist economic aggression and political subversion. Other recent developments in Asian countries have been: (1) discussions between the Malayan Premier and the President of the Philippines on how to meet the communist threat; (2) Japanese opposition to Chinese Communist dumping of under-priced goods in Southeast Asia; (3) Malayan Government plans to close Chicom Bank of China branches in that country; (4) widespread Asian antipathy to the slave labor system in Chinese Communist communes; (5) Malayan-Singapore ban on import of Chicom textiles (a counter measure to Chicom textile dumping); (6) the recent formation of basically anti-communist governments in Thailand, Burma and Laos and; (7) the enthusiastic welcome given Tito, one of Communist China's strongest critics, by Sukarno during his recent visit to Indonesia.

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33. WILLY BRANDT TRIP TO THE US AND ASIA

In the first week of February, Willy Brandt, the newly re-elected Socialist Mayor of West Berlin, will undertake an extensive goodwill tour which will include visits to the United States, Japan, Indonesia, Thailand, Burma, India, and Pakistan. It is anticipated that the tour, arranged in collaboration with the Foreign Office of the German Federal Republic and approved by the West Berlin Senate, will achieve political and psychological benefits for the West in at least two categories: (a) the acquisition of sympathy and support for the population of West Berlin and for the Western position on Berlin, (b) mitigation of the impact of East German Premier Grotewohl's recent visit to Asia. A brief biographical sketch of Brandt follows: Brandt was born in 1913 in the Baltic seaport of Leubeck in a working-class home. He entered politics at an early age, joining various Socialist youth organizations becoming at seventeen a member of the Social Democratic Party (SPD). When the Nazis came to power in Germany, he fled to Norway where he changed his name from Frahm (his mother's family name) to Brandt and became a Norwegian citizen and a member of the Norwegian Labor Party. Brandt was captured by the Germans with the German invasion of Norway in 1940. Upon release he fled to Stockholm where he continued his anti-Nazi activities. With the defeat of Germany he renounced his Norwegian citizenship, and became Deputy Chairman of the Berlin SPD. In 1949 he was elected deputy from West Berlin to the Bundestag. By 1954 he became speaker of the Berlin House of Representatives and in October 1957 mayor of West Berlin at the age of 44.

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34. Establishment of Anti-Communist Government in Laos.

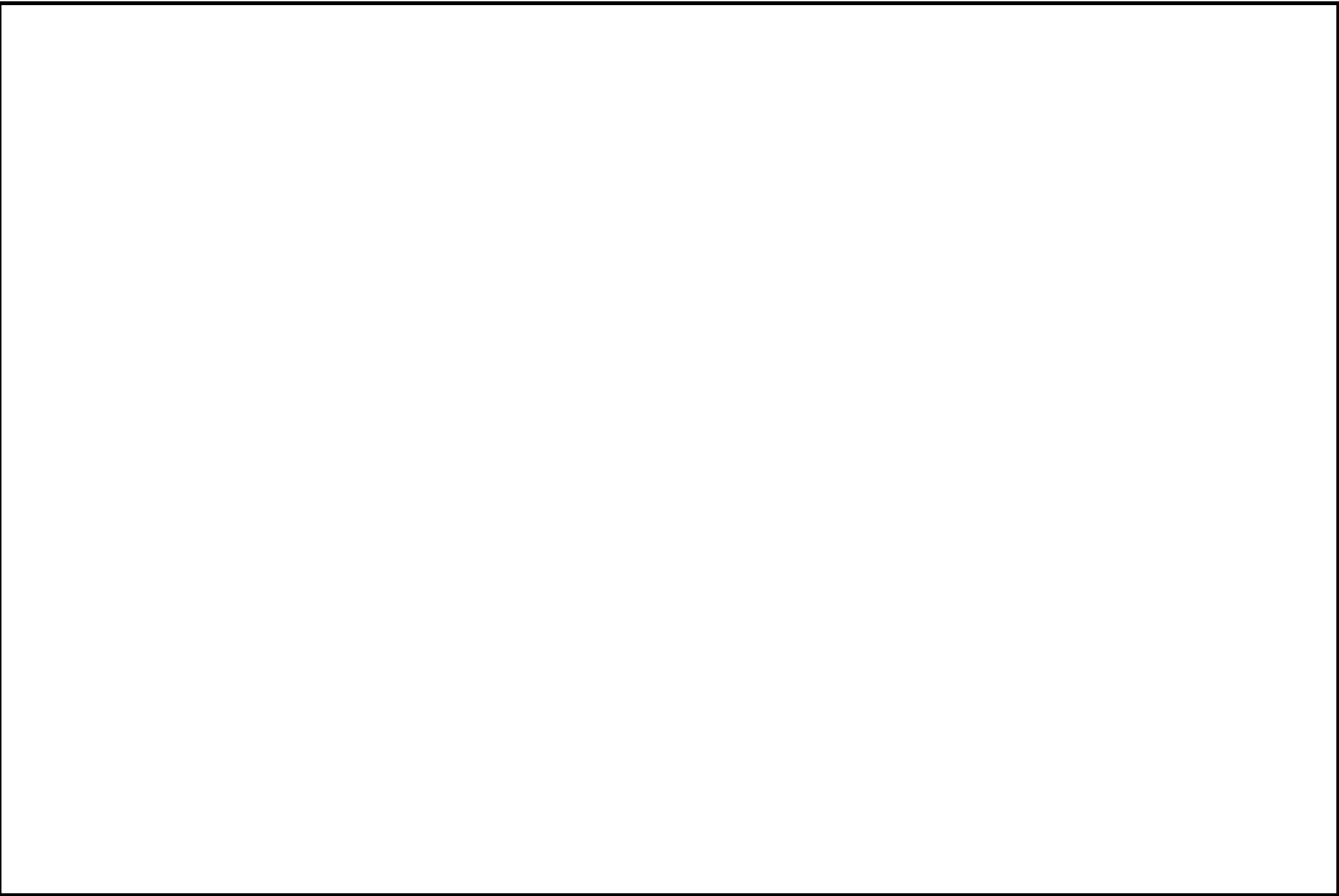
The Laotian National Assembly on 14 January granted Prime Minister Phoui Sananikone full governmental powers for 12 months to meet what he terms a situation of "national danger" stemming from internal subversion and external pressures from North Vietnam. In essence, the assembly voted approval of Phoui's program and assured him a year to implement it during which he will be unfettered by assembly pressures. On 24 January, Phoui formed a new government that gives strong representation to new young political leaders. The New Laotian Cabinet is regarded as a strong team and its formation is a significant reverse for pro-Communist elements in Laos. Our major objective is to support this new government and to encourage it to develop towards a stable, free, representative government with the will and ability to resist communism from within and without.

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Prime Minister Nobusuke Kishi has retained shaky leadership of Japan's ruling conservatives and begins a new parliamentary session at the helm of a divided Party. Kishi was re-elected to a twoyear term as President of the Liberal Democratic Party, thereby winning the right to continue as Premier and reducing the likelihood of a general election in the near future. Our major objective remains the development of a stable Japanese government friendly to American interests, aware of the communist political and economic threat, and willing to take effective action against communism. Under present conditions, the best way to meet this objective is to insure that Japan remains governed by the Liberal Democratic Party.



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The stabilization achieved by the Gomulka regime both internally and externally is in sharp contrast to its rather precarious and delicate position during the months immediately following the revolution in October 1956. There has been a marked decrease, however, in enthusiasm and support for the regime on the part of the Polish population. To a great extent this has been due to a firmer imposition of Communist policy. Among the retrogressive actions taken by the regime are a tightening of control over the press and publishing, sharpened restrictions against liberal intellectuals and journalists, and a severe weakening of the powers of the workers' councils. It is anticipated that with time additional areas of Polish internal life will be affected in the same direction but a complete return to Soviet Bloc conformity is unlikely. In the foreign policy field, the Gomulka regime has more closely aligned itself with the Soviet Union. Not unexpectedly it has come out in favor of all major Soviet foreign policy lines. Nevertheless, present Polish internal policy continues to represent a significant deviation from policies applicable elsewhere in the Soviet Bloc. The regime continues to reassert its belief in voluntary and gradual collectivization, there is continued abstention from the use of the secret police as a political weapon, a modus vivendi with the Catholic Church still obtains, and there is relative academic freedom and freedom of speech.

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